MEDICARE

AFFORDABLE CARE & IMPROVED ACCESS FOR NEVADA

Presented by: Matt Law

SUMMARY

1. Targeted Population
2. Insurance Overview in Nevada
3. Original Medicare
4. An Overview of Private Medicare Plans
5. Leveraging Federal Funds and Programs
6. Leveraging State Funds and Programs
7. Improving Provider Access
8. Conclusion

TARGETED POPULATION

Where

- Semi-rural counties where insurance companies can profit and expand.
- Semi-rural counties with poor provider saturation.
- (i.e. Carson City, Douglas County, Lyon County, Storey County)

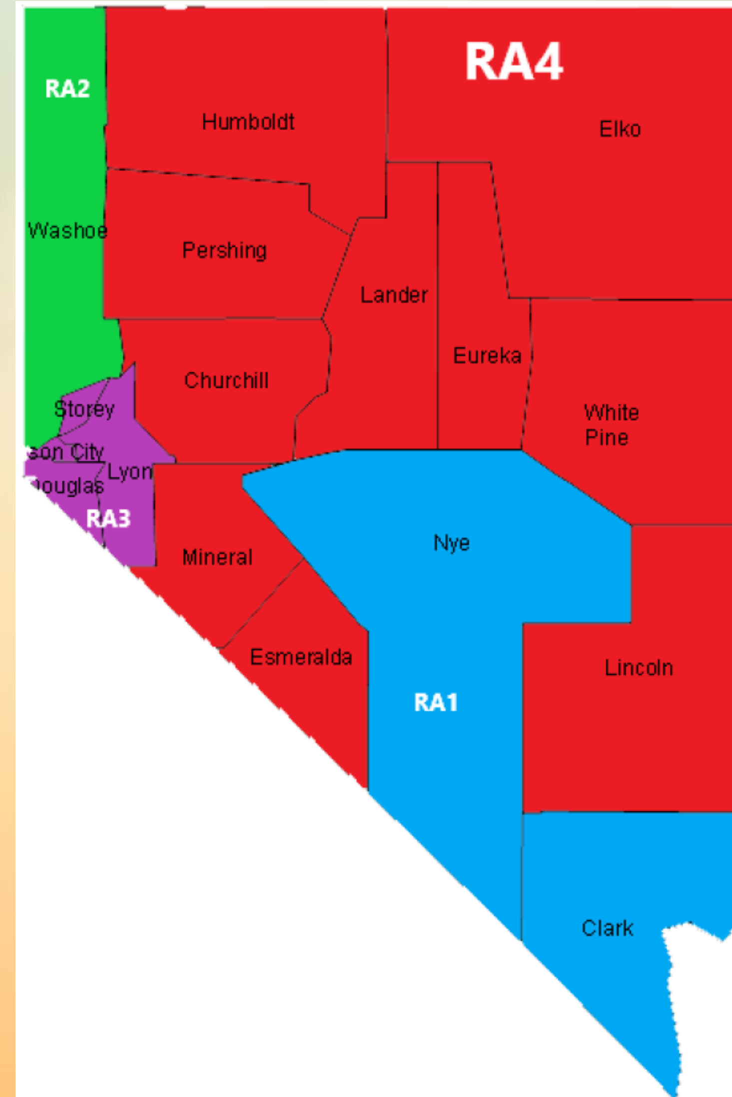
Who

- Medicare Beneficiaries
    - Eligible due to a disability (ie. under 65 years old)
    - Dual eligible
    - 65 years or older

INSURANCE IN NEVADA

Plan Availability & Trends

- Based on county of permanent home residence.
- Some counties do not include certain types of plans (i.e. Medicare Advantage).
- Medicare plan availability is expanding each year.
- Generally speaking, Medicare Advantage plan benefits are increasing every year.
- Accountable Care Organizations ("ACO") are on the rise:
    - Example: Kaiser Permanente
    - The Kaiser Permanente of Nevada – Renown vs. Northern Nevada Medical Center



ORIGINAL MEDICARE

Part A

- Inpatient hospitalization coverage
- Usually costs $0 per month (depending on incurred tax credits)
- Part A qualifies consumers for Part D drug plans
- *Source: https://healthbenefits.net/medicare-part-a-in-nevada/*

Part B

- Outpatient medical coverage
  - i.e. Doctor visits, lab tests, outpatient procedures, etc.
- In 2020, the standard cost for Part B is $144.60 per month
- Part B qualifies consumers for Medicare Advantage plans (regardless of age). It also qualifies consumers for Medicare Supplement plans in Nevada (if over the age of 65).
  - Medicare Supplement plan eligibility rules differ from state to state.
- Source: https://healthbenefits.net/medicare-part-b-in-nevada/

PRIVATE MEDICARE PLANS

Medicare Supplement Plans

- Monthly premiums are increasing every year. (roughly 5 – 10%)
- Low out of pocket costs.
- Preexisting conditions exist.
- Usually paired with a standalone Part D drug plan.
- Average enrollment time is 8 years.
- Heavily regulated benefits:
  - Standardized benefits.
  - Standardized network lists.
  - Less private sector control.
  - Star Rating system is less of a factor for people enrolled in these plans.

Medicare Advantage Plans

- Also known as Part C of Medicare.
- Usually include Part D drug coverage (aka Medicare Advantage Prescription Drug Plan).
- No preexisting conditions.
- Nevada has a very strong market.
- Most plans in Nevada have $0 premium.
- Some plans include extra benefits like dental, vision, hearing aids, transportation, etc.
- Private sector driven:
  - Insurance carriers choose benefits.
  - Insurance carriers choose network lists.
  - Generally speaking, there is a larger profit margin due to CMS Star Rating system.

LEVERAGING FEDERAL FUNDS

CMS Star Rating

- "Medicare Advantage with prescription drug coverage (MA-PD) contracts are rated on up to 45 unique quality and performance measures; MA-only contracts (without prescription drug coverage) are rated on up to 33 measures."
    - *Source: https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/Downloads/2020-Star-Ratings-Fact-Sheet-.pdf*
- The higher the CMS Star Rating, the more an insurance company receives in federal reimbursements.
- Star Ratings change each year based on many different metrics (i.e. Extra benefits, customer service, coding, etc.)
- Coding is key! Insurance companies and providers who treat patients with more medical conditions will improve their Star Rating.

Bottom Line: It is in the best interest of the insurance company to keep their members healthy and happy. It saves the patients money on claims while generating more revenue for the insurance plan.

LEVERAGING STATE FUNDS

What Does Dual Eligibility Mean?
When someone is enrolled in both Medicaid and Medicare, they are Medicare Dual Eligible. Medicare is the primary payer. Medicaid is the secondary payer. With both, your out of pocket costs will be much lower compared to people who only have Medicare. There are different levels of eligibility when Medicare Dual Eligible:

- **Qualified Medicare Beneficiary ("QMB") Program**: This program helps pay for Medicare Part A and Part B premiums, deductibles, coinsurance, and copayments.

- **Specified Low-Income Medicare Beneficiary ("SLMB") Program**: This program helps pay for Medicare Part B premiums.

- **Qualifying Individual ("QI") Program**: Like the SLMB Program, this helps pay for Medicare Part B premiums.

- **Qualifying Disabled Working Individual ("QDWI")**: This program helps pay for Medicare Part A premiums.

- *Source: https://healthbenefits.net/what-it-means-to-be-medicare-dual-eligible/*

IMPROVING PROVIDER ACCESS

And saving the world.

Targeting Local Hospital Groups

- **Trends:** The rise of the ACO model (ie. Insurance plans paired with provider organizations).
- **Private Sector Incentive:** Larger profit margins for Medicare Advantage plans.
- **Public Sector Incentive:** Encouraging provider groups to build facilities in specific counties through Capital Grants or tax cuts (Similar Example: Opportunity Zones)
  - **Stipulation:** Provider groups must include behavioral health therapists in Physician clinics to qualify State assistance.
    - **Private Sector Incentive:** This will generate more coding which in turn generates higher CMS Star Ratings which translates into higher revenue for insurance companies.
    - **Patient Benefits:** Network adequacy improves. Stronger benefit plans. Larger service area. More private sector competition.

CONCLUSION

A way to solve provider access in semi-rural counties is well within reach. Local hospital groups who own insurance companies are promoting their Medicare Advantage plans due to favorable profit margins. As these insurance carriers further their transition into the ACO model style of health care, they will be aiming to improve their CMS Star Rating to generate higher reimbursements from the Federal Government. This will give them more cash flow to expand their service area for Medicare Advantage plans which will cover more counties in Nevada. With Renown and Northern Nevada Medical Center targeting the ACO market in Nevada, they will be looking to expand their reach in semi-rural counties. While in expansion, the State of Nevada should provide state funds to encourage the construction of more provider offices in specific counties in need. In accordance with these state funds, these provider groups will be required to include Behavioral Health Therapists on site in their medical groups. With a Behavioral Health Therapist on site, the provider offices will increase their procedural coding which will further increase the CMS Star Rating with each insurance company. As this cycle snowballs, the private sector will flourish and further expand provider access, without relying on funds from Nevada. Consumers will benefit from this initiative with focused health care from Primary Care Physicians and Behavioral Health Therapists within the same medical office. Patients who are dual eligible for State Assistance will leverage current State programs with little to no out of pocket costs. Anyone else who is eligible for a Medicare Advantage plan will be able to access medical care with affordable out of pocket costs, due to a very strong Medicare Advantage market in Nevada. With Medicaid reimbursement rates being slashed due to Covid-19, providers will also benefit from private sector reimbursement rates through Medicare Advantage plans. **Simply put** – If we jump start the private sector with financial incentives, we can guide the growth of improved provider access in counties who need it.

QUESTIONS?

Matt Law
Insurance Broker

Email: Matt@Healthbenefits.net
Phone: (775) 828-1216
Website: www.healthbenefits.net